



Congressman
SHERROD BROWN

Ohio, 13th District
www.house.gov/sherrodbrown

Fact Sheet

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2004 Tax Tips for Working Families

1. Claim the Earned Income Tax Credit (EITC) If You Can

The EITC is a refundable tax credit for working Americans. Thousands of eligible Ohioans do not claim it because they don't know about EITC or think claiming it is too hard. With benefits available for families with incomes up to almost \$35,400 and with maximum benefits of over \$4,300, every Ohioan should consider the EITC. Interested taxpayers can learn more about the EITC and even estimate their EITC benefits at: www.house.gov/sherrodbrown.

2. Consider IRS' Free File Alliance for Online Filing

The Internal Revenue Service (IRS) partners with the Free File Alliance – a group of leading computer software companies – to offer free online tax return completion and filing services for low to moderate-income Americans. Each participating software company sets its own eligibility standards, but all Alliance services are free. Electronic filing also helps you get your refund faster. Interested taxpayers can learn more about Free File Alliance services for tax year 2004 online at www.irs.gov.

3. Get the Answers You Need

If you are preparing your own return and have questions, IRS has the answers. You can call IRS' information hotline, (800) 829-1040 with a question or get answers and download forms and publications from IRS' Website: www.irs.gov.

4. Let IRS Help You Prepare and File Your Return

Taxes can be complicated. IRS partners with local community organizations to make free assistance available. Interested Ohioans can call IRS at (800) 829-1040 for information about Volunteer Income Tax Assistance, Tax Counseling for the Elderly sites in our area. Military service members and their spouses can also learn more about free assistance through the Armed Forces Tax Council.

5. Beware of Costly Refund Anticipation Loans (RALs)

Some commercial tax preparers and other businesses offer refund anticipation loans (RALs) that make cash available on the spot for taxpayers who will receive a federal tax refund. Beware of RALs with high interest rates or administrative fees. A 2002 study by the Consumer Federation of America found that annualized RAL interest and charges averaged 150% or more and sometimes topped 600%. If you decide a RAL is right for you, be sure to comparison shop for reasonable fees and rates.

6. If You Choose a Commercial Tax Preparer, Make a Smart Choice

Commercial tax preparers play a significant role in our internal revenue system, but you – not the preparer – are legally responsible for the content and accuracy of your return. Being a savvy consumer when you have your return prepared can help you avoid problems after you file. In particular:

- Before you sign the return, insist that the tax preparer also sign it and include the preparer's Employer Identification Number (EIN) or Social Security number – this information is required by law
- Never sign a blank tax return, and never sign your return in pencil
- Insist on a complete copy of your tax return with all attachments
- Check to make sure names, addresses, Social Security numbers, bank account numbers, and wage information are entered correctly.
- Review your return with the preparer, and make sure you understand the reason for any refund or reduction in taxes owed.

7. Keep Your Records

Find a safe place to save a copy of your tax return and all of the receipts, income records, and other documentation you used to prepare it. Keep all of these records for at least three years, just in case you need to amend your return or in the unlikely event of an audit.

8. Know When To Expect Your Refund

If you file electronically and choose direct deposit, your refund should be deposited within 10 days of filing. If you file electronically but choose to have a paper refund check mailed to you, it should arrive within two weeks of filing. If you file a paper return, your refund check should arrive six to eight weeks after you file.

9. Know How to Check the Status of Your Refund

Longer delays are not necessarily cause for concern about your return, as they may only reflect high processing volumes at IRS. You can check the status of your refund by calling IRS Refund Hotline at (800) 829-1954 or visiting the IRS Website: www.irs.gov. You will need your Social Security Number, your filing status (single, married filing jointly, etc.), and the exact amount of your refund.

10. Special Tax Benefits for Military Servicemembers

Congress has authorized filing extensions, military pay income exclusions, and other benefits for some active duty military personnel. If you or someone you know served during 2004, you can learn more about these benefits by calling IRS toll-free at (800) 829-1040 or online at www.irs.gov.